

Willie Spence: I Could Keep On Playing Forever!



“I hope I get fed up with Almarai before Almarai gets fed up with me!” says Willie Spence, General Manager of the Operations Division, as he looks back at the past 14 years he has spent with the company.

As GM, Willie is primarily responsible for distribution and manufacturing — collecting the milk from the farms, delivery to the factory for processing, and delivering product to the depots for onward distribution to the customers.

“I feel like meat in a sandwich,” he continues. “The farms produce and I collect their output. Sales respond to the demand from customers and I deliver what they need; and in an ideal world there should be no imbalance between what the customers want and what the farms and factory can produce. Of course, life is never that

simple, but we try our best,” he says, getting warmed up to his pet subject.

The company works to a five year plan, but that is coupled to an 18 month rolling forecast with updates to that forecast every month. “It’s simply a triangle of sales, supply and production,” Willie Spence continues. “There are many things that can affect our original forecasts such as the weather, the competition, the quality of our products and the service we give to our customers. We’ve recently increased the number of distribution outlets, our marketing has been highly effective, we introduced the new PET bottles for milk products which have been very popular with the end consumers, and the competition has significantly changed; so all these have played their part in the fortunes of our rolling forecast.”

Comparing Operations Division to other areas of the company, Willie explained how if Sales strive for 100 units and achieve 110, they can say they are doing well. If procurement orders 100 units, then their target is to achieve exactly those 100 units. Finance Division can measure effectiveness by the upwards or downwards movements of profit levels.

But Operations has the same set of objectives as it did 40 years ago, when Willie first started in business. His primary responsibilities are Quality, Service and Cost, with secondary objectives including project management and HR management. In Willie's words, "Operations looks for uniformity and continuity.

"At the end of the day, consumers need to be assured that they know exactly what they are getting. The product should be the same whenever and wherever they purchase it. So it's essential to produce the right quality, on time and within certain cost drivers — and we need to get all three right or else we have failed."

When Willie joined Almarai 14 years ago, there were five factories and he was recruited to manage their closure and to open up the new CPP. Looking back, he admits that with hindsight some things could have been done differently, but lessons were learned and implemented in the building of CPP2, which came on stream last year (see page 10).

Some of the biggest changes, he believes, are to be found in the consumers themselves, who are getting more demanding for consistent quality and reliability. "Consumers are the same the world over," he opines "and young Saudis are very much the same as young people anywhere. They love chocolate and they love jumping in puddles. Their culture may be different, but at the end of the day their basic demands are the same."

What is newer to Saudi Arabia, however, is the growth of the 'Multiples' — the hypermarkets and large supermarket chains such as Carrefour, Géant and Panda — who eventually will have the purchasing muscle to drive up demand, drive down producer profits, and to drive up producer costs thereby lowering margins. "In the future, if the multiples don't want to stock one of your

new products, that new product simply won't survive," he believes.

Willie started in the dairy business 40 years ago, almost by accident. He grew up in a village in Ayrshire in the west of Scotland, the 13th of 15 children. During school holidays he would earn some extra pocket money by working in a creamery located in the village.

He obviously showed promise at this early stage, as the owner of the creamery paid for Willie to attend the prestigious West of Scotland Agricultural College in Auchencruive.

At the end of his student days, he joined the creamery full time, but it was taken over by the giant Grand Metropolitan and Willie rose through the ranks of 'Grand Met' to become the Operations Manager of what was then the largest yoghurt factory in the UK, based in Cheshire in the north west of England.

But by the early 1990s, Grand Met decided to sell off the yoghurt factory and Willie was already feeling the time was right for a change, when out of the blue he received a phone call from the then-CEO of Almarai inviting him to work in Saudi Arabia. Despite his wife's

initial reservations, but with the prompting of his daughter, Willie accepted the offer and has been with the company now for over 14 years. "I've been married for 35 years, and my wife — Elizabeth — and daughter — Morag — now just love the place. I couldn't imagine wanting to work anywhere else," admits Willie.

"I like the climate; I like the clients; I like the job; it's a great company; with good management; and first class work colleagues. I'm just a figurehead; the day-to-day management is carried out by the next level down and I'm very fortunate in having very good people working for me. In fact I would say that the team I am currently working with is the best I have ever had. I couldn't ask for more than that!

"I know that — to use a footballing expression — when I hang up my boots, it really will be time to retire. The question is, when is the right time to hang up my boots? The way I feel right now, I think I could keep on playing forever!"

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